

SMALL BUSINESS FINANCING PROGRAMS

PROGRAMS:	SBA 504	Rural Community Loan Program	Regional Revolving Loan Fund	OBDF Oregon Business Development Fund	SBA ILP
USES	Land, building acquisition, new construction, equipment.	Land, building acquisition or construction, equipment, working capital.	Land, building acquisition, new construction, equipment, working capital.	Land, building acquisition, new construction, equipment, working capital.	Land, building acquisition, new construction, equipment, working capital.
ELIGIBILITY	For-profit small businesses.	Business in communities less than 25,000 population in Marion, Polk, Yamhill and Clackamas Counties.	Agriculture processing and manufacturing related businesses in Marion, Polk and Yamhill Counties.	Manufacturing, processing and tourism related businesses.	Businesses in Yamhill, Clackamas, Polk & Marion Counties
AMOUNTS	SBA will fund up to 35-40% of the total project with <u>maximum</u> funding of: see below †	\$150,000-\$200,000 \$250,000 maximum;	\$300,000; maximum	Up to \$1,000,000 or 40% of project. *	\$200,000 Maximum
BANK/OTHER FUNDING	50%	25 to 50% minimum	50% minimum	60%	NA
BORROWER EQUITY	10-15-20%	10% minimum	10-17% minimum	10-20%	10% Minimum
RATES	20 Yr Term (approximately) 10 Yr US Treasury Note rate+2.8%.	Minimum 5%. (Rate determined by Loan Committee.)	Minimum %. (Rate determined by Loan Committee.)	1% above US Treasury securities (fixed rate). 4% minimum rate	Determined by Loan Committee
TERMS/ AMORTIZATION	Real Estate - 20 yr/20 yr amortization Equipment - 10 yr/10 yr amortization	Up to 20 year term & amortization	Up to 20 year term & amortization	Useful life of the collateral, up to 25 yr term & amortization.	Up to 20 Yr term & amortization
FEES	Approx 2.75% financed in loan	1.5%	1.5%	\$200 application fee. 1.5% closing fee.	1%
PREPAYMENT PENALTY	Yes	No	No	No	No

* **Remainder must come from other sources.**

504 rate set monthly at debenture sale.

†\$5,000,000 for regular projects, \$2,000,000 for public policy projects.\$5,500,000 for manufacturing project.

All Program job creation amount is determined on type of business and location.

HOW TO USE GOVERNMENT LOAN PROGRAMS

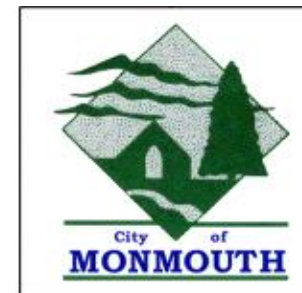
- Plan ahead and apply early to allow enough time for loan processing.
- Be prepared to disclose both your business and personal financial history.
- Loan programs take a subordinated lien on the collateral and offer a lower than market rate of interest as an incentive for bank participation in your project's financing. Discuss these advantages with your banker.
- All government loan programs require the participation of a private investor or lender (bank) for project funding.
- All government loan programs require collateral and demonstrated repayment ability.
- Targeted projects may include: development of new technology; secondary agricultural processing; export markets; community projects which stimulate other business development in economically depressed areas; business retention and, minority and women owned businesses.
- The amount of money available for lending by the Revolving Loan Fund Programs depends on the accumulation of portfolio's repayment.

PRE-APPLICATION CHECKLIST

- ✓ Business financial statements for the previous three years.
- ✓ Business financial statement within the past 90 days.
- ✓ Projected income statement for two years.
- ✓ Breakdown of the use of proceeds.
- ✓ Personal financial statement.
- ✓ Resume.

Mid-Willamette Valley
Council of Governments
100 High Street SE
Salem, OR 97301-3667

SMALL BUSINESS LOAN PROGRAMS



For Businesses In Monmouth

SMALL BUSINESS FINANCE SERVICES

The Mid-Willamette Valley Council of Governments provides assistance to businesses with all of the commonly used government finance programs. ***These federal, state and local financial incentives are designed to help companies expand or start new ventures by making low interest loans or loan guarantees.*** The Council of Governments has entered into special packaging or partnership agreements with the U.S. Small Business Administration, Rural Business-Cooperative Service (formerly FmHA), Oregon Business Development Corporation, State of Oregon Economic Development Department, U.S. Economic Development Administration and local governments in the four county service area that ***provides:***

- Loan packaging and assistance services for all government loan programs at a single location;
- Assistance with obtaining financing from private sector lenders; and
- Free initial consultations with our professional lending staff.

The Federal Equal Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law is the Federal Trade Commission, Equal Credit Opportunity, Washington, DC 20580.



FOR INFORMATION CONTACT

John F. Safstrom, Program Manager (503) 540-1612
Alison Boswell, Loan Officer (503) 540-1614
Mid-Willamette Valley Council of Governments
100 High Street SE, Suite 200
Salem, Oregon 97301
E-Mail: jsafstrom@mwvcog.org
E-Mail: aboswell@mwvcog.org